WORKING CAPITAL FUND

U.S. DEPARTMENT OF ENERGY

ON-LINE TRAINING CENTER
FISCAL YEAR 2001 – 2005 PLAN

Executive Summary

This plan is developed to document efforts to promote sound business practices and management of businesses funded in the Department of Energy Working Capital Fund (WCF). It is based on past practices and informed by prior plans of this business and oversight agencies and federal consortiums. Performance is expressed using a balance score card methodology. Financial analysis is based on the Department's accounting system and procurement data.

President Clinton signed Executive Order 13111 (E.O.) on January 12, 1999. This E.O. establishes the President's Task Force on Federal Training Technology, directs Federal agencies to take certain steps to enhance employees' training opportunities through the use of technology, and creates an Advisory Committee on Expanding Training Opportunities. The Department has reacted to these opportunities are contained in the following mission and vision statements.

Mission: *To establish the infrastructure, capability and organizational culture that promotes and ensures the effective and efficient application of technology-supported learning methodologies across the Department of Energy.*

Vision: *The Department of Energy aggressively utilizes state of the art technology-supported learning methodologies to improve the effectiveness and efficiency of Departmental learning activities.*

Balance Score Card Goals:

Accomplishments:

Since the last plan, dated May 1998, the On-line Training Center has accomplished the following goals:

Introduction

The ability of the Department of Energy to successfully and safely complete its current and future missions depends heavily on the technical competence of its Federal staff and contractors. As missions change and mission-related technology advances, the Department is challenged with retraining its workers and cultivating an environment wherein employees can learn faster, retain more of what they have learned, and do so at lower costs than traditional methods of instruction permit. This challenge could not come at a better time. As the Department restructures its information management capabilities, delivering workforce training and development via electronic means is now within our grasp. For this reason the Department's training and information management communities have partnered and initiated the Technology-Supported Learning Program. The ultimate goal of this effort is to use advanced training technology to deliver learning activities to the desktop wherever such delivery can be demonstrated to improve learning outcomes and reduce costs.

Planning Process: The Department takes a strategic view with respect to its human resources by ensuring that the training needed by its Federal and contractor staff are timely, accessible, and relevant to the job. Training drivers for the Department include:

- Department of Energy Strategic Plan

- Department of Energy Training and Development Business Plan

- Presidential Memorandum of January 30, 1998 - Enhancing Learning and Education Through Technology

- DOE Order 360.1, Training (Federal employees)

- DOE Order 5480.20A, Personnel Selection, Qualification, and Training Requirements for DOE Nuclear Facilities (Contractor employees)

During the next five years, DOE will significantly increase the integration of technology into its learning processes. DOE is convinced that technology, appropriately used, can serve as a powerful lever to increase workforce performance, skill, and knowledge, and worker satisfaction. The intent is to make cost-effective training available at the desktop, at the time of need. The Technology-Supported Learning Program is supported by a Department-wide team composed of training representatives from across the Department. The program is championed by the Director of Training and Human Resource Development. The TSL Program Manager and team receive direction from the Training and Development Coordinating Group.

Discuss environmental and competitor analysis.
Discuss external regulation, partnerships, and government-wide efforts.
Discuss resources and capabilities of the organization.
Discuss needs and capabilities of customers and suppliers.
Discuss future competitive advantages.

Balance Score Card Elements

Customer

The customer perspective focuses on how your customers view your business. In this section, describe the needs they are trying to fulfill when they come to you. Since your customers may also read your business plan, you should also describe how you see your customers. This will help assure them that you understand their needs and may help them understand the variety of customer needs you are trying to meet.

Our customers are the federal DOE employees and DOE contractors. Because our courses are web-based, contractors and employees worldwide are eligible to use our services. We have chosen an array of courses that will allow all levels of employees to enhance their skills or to acquire new ones. While they all have different reasons for taking online courses and their goals may differ, they all want a quality learning experience that is characterized by:
- Course material being relevant to their job,
- Skills should be taught in a context that will allow the student to easily apply those skills,
- Students and their managers want to see positive results from taking a course, as measured by an increase in productivity or efficiency.

The objective of the OLTC in regards to the customer portion of the balanced scorecard is to have 75% of our users rate us highly satisfactory or better. This rating shall be a composite, based on:
- Course content
- Difficulty of material
- Effectiveness of web interface
- etc

Our performance measures for FY01 will be:
- Identify learning activities that have cross-cutting applicability that would make them candidates for web-based learning,
- Etc from Milestones

Finances

The next section of your business plan describes the financial resources that will be required to operate your business and the sources of those funds. This is how your financial manager looks at the business. Businesses in the Working Capital Fund are required to break even – i.e., to fully recover their costs without making a profit. Meeting this standard requires careful identification of costs and revenue sources.

It costs an average of $_____ for an employee to take a course in the traditional manner, which includes travel and tuition costs. We charge $59.44 per person for Skill Soft and $68.44 per person for manager training and, because the student takes the course while sitting at his desk, there are no travel charges. The DOE did not incur any fixed costs in establishing the OLTC and

our annual operating costs are $_____, which includes $_____ in annual web hosting fees and $_____ in XXX fees.

The financial objective of the OLTC is to save the department $400,000 annually.

Our performance measures, which will enable us to achieve our objective, are:
Provide training for _____ students (based on savings per course and number of courses taken)

Internal Processes

The Balanced Scorecard approach influencing this section of the business plan focuses on the internal process controls that are in place to ensure that your business line functions smoothly. This section can be broken down into three parts: process controls; process reengineering; and performance objectives, goals and measures.

Our internal processes are simple and straightforward. We license courses from Skill Soft and Manager Training and provide those courses via the web to our customers. As web-based technology improves, we will update our hardware so that the courses can be supplied in the most timely manner possible.

Our objective is to ensure we are providing the most relevant, interesting and current course offerings.

Our performance measures for FY01 are to:
- Develop cooperative relationships with other government agencies, the private sector, universities, laboratories and other educational institutions,
- Identify equipment, technology and other resource requirements that will allow effective implementation of technology-supported learning,
- Develop instructional strategies and methods that will improve the quality and effectiveness of technology-supported learning,
- Develop meaningful evaluation criteria so that we can accurately measure our customers' satisfaction and, at the same time, measure our performance.

Alternate:
Improving the methods used by program customers to distribute training opportunities to employees.
- Effort processing training requests, vendor selection, invoice payment, etc.
- Administrative costs associated with acquiring training opportunities.

Learning and Growth

This perspective captures the ability of employees, information systems, and organizational structure to manage the business and adapt to change. This section should describe the steps being taken to ensure continual professional development and growth of the staff. This is an opportunity to sell the knowledge, flexibility, and commitment to improving the capabilities of the staff to your customer; and to identify the areas where the business line is training and

motivating its staff well and where it could use some improvement. You want to show that your business line is flexible, forward-looking and equipped to handle changing customer and technology driven needs.

Demonstrate the quality of a learning organization by levering our collective knowledge to provide training opportunities for program customers. This effort will be measured by the impact of employees, contractors, and other suppliers on accomplishing critical organizational goals outlined in ………. In order to achieve this performance this office must have the proper skill mix, proper training, and experience gained on the job and by special projects.

Appendix A: Milestones

Objective: Use Best Commercial Practices When Purchasing Instructional Software

Goal	Fiscal Year				
	2001	2002	2003	2004	2005
Identify equipment, technology, and other resource requirements and baselines for the effective implementation of technology- supported learning.					
Optimize the use of existing technology- supported learning facilities and capabilities.					
Provide optimal training and educational opportunities throughout the Department of Energy to maintain technical competence.					

Objective: Work with business, universities, and other appropriate entities to foster a competitive market for electronic instruction.

Goal	Fiscal Year				
	2001	2002	2003	2004	2005
Develop a cooperative relationship with other government agencies, the private sector, universities, laboratories, and other educational institutions involved in technology- supported learning to share resources, products, and lessons learned.					
Optimize the use of existing technology- supported learning facilities and capabilities.					

Objective: develop a model technical approach to facilitate electronic instruction building on existing agency efforts.

Goal	Fiscal Year				
	2001	2002	2003	2004	2005
Identify learning activities that have cross- cutting applicability that would make them candidates for implementation via technology- supported learning approaches.					
Develop standards for technology- supported learning format, structure, and process that will promote uniformity, reduce duplication of effort, and improve usefulness.					
Identify evaluation criteria and parameters to measure the instructional effectiveness and cost savings associated with technology- supported learning as an alternative to conventional learning activity delivery.					
Conduct pilots to validate system readiness, demonstrate the effectiveness of technology in improving learner outcomes, and evaluate cost vs. performance.					
Optimize the use of existing technology- supported learning facilities and capabilities.					
Eliminate redundancies in cross- cutting training and education, course development and delivery to reduce costs, increase efficiency, achieve the highest quality courses, and establish Department-wide consistency.					
Provide optimal training and educational opportunities throughout the Department of Energy to maintain technical competence.					

Objective: develop and support a program of that will accelerate the development and adoption of new instructional technologies.

Goal	Fiscal Year				
	2001	2002	2003	2004	2005
Evaluate the readiness of the Department and the policies and standards required to optimally harness technology-supported learning					
Identify instructional strategies and methods that will improve the quality and effectiveness of technology-supported learning activities.					
Identify evaluation criteria and parameters to measure the instructional effectiveness and cost savings associated with technology- supported learning as an alternative to conventional learning activity delivery.					
Eliminate redundancies in cross- cutting training and education, course development and delivery to reduce costs, increase efficiency, achieve the highest quality courses, and establish Department-wide consistency.					

Appendix B: Financial Analysis

For FY 2001 the On-Line Training Center (OLTC) is funded in the Department's Office of Management and Administration at $160 k. This funding acquires contractual support from Atlanta Management Center to review course offerings and for development of the OLTC program in addition to the software license with ($12 k/year) and web server hosting fee ($10 k/year). In FY 2002 the Department proposes to fund OLTC in the Working Capital Fund. Expenses related to federal employees ($…) including salary, rent, travel, and other services are not included in business expenses recovered from the WCF. The proposed business will offer two core curricula; Skill Soft for administrative and analytical skills ($19/person) and Manager Training for ($28/person). These core curricula are purchased in lots of 4000 and 500 courses, respectively.

The goal of OLTC is to earn adequate revenues to cover fixed costs. Break even is based on the current budget with fixed costs of $182 k/year. However, if the business exceeds break even it will be able to develop DOE specific courses. The base business case assumes a minimum of 4000 customers for the Skill Soft Program and 500 customers for the Manager Training. FY 2001 customer baselines for these curricula are … and …, respectively.

Pricing to recover costs at the minimum customer requirements is: $59.44/person for Skill Soft and $68.44/person for Manager Training.

Attendance	Projected Earnings	Variable Costs	Contribution to Fixed Costs
2000 Skill Soft	$ 118,880	$ 38,000	$ 80,880
250 Mgr	$ 17,110	$ 7,000	$ 10,110
Total			$ 90,990
4000 Skill Soft	$ 237,760	$ 76,000	$ 161,760
500 Mgr	$ 34,220	$ 14,000	$ 20,220
Total			$ 181,980
8000 Skill Soft	$ 475,520	$ 152,000	$ 323,520
750 Mgr	$ 68,440	$ 28,000	$ 40,440
Total			$ 363,960

Appendix C: Validation and Verification

Data Sources:

Baselines:

Frequency:

Data Storage:

Verification: